

EXHIBIT 11

DECLARATION OF CLEVELAND STATE UNIVERSITY

I, Nigamanth Sridhar, declare as follows:

1. I serve as the Senior Vice President and Provost at Cleveland State University (CSU) in Cleveland, Ohio. I have held that position since May 9, 2022. In this role, I oversee all academic offerings and operations at CSU, including the entire research administration infrastructure. I have held a faculty position at CSU since August, 2004, and have served as principal investigator on 13 federal grants. From January 2020 until April 2022, I served as a Program Director at the National Science Foundation.

2. I have personal knowledge of the contents of this declaration, or have knowledge of the matters based on my review of information and records gathered by CSU personnel, and could testify thereto.

3. CSU receives substantial annual funding from the National Science Foundation (NSF). Over the past five (5) years, CSU has received 50 awards funded directly or via federal pass-through from NSF totaling \$13M in direct funds, plus \$4M in indirect funds. Actual indirect costs (IDC) recovered during that period were \$3M. So far in FY2025 (July 1, 2024-April 30, 2025), we have received awards totaling \$2M in direct funding plus \$0.3M indirect funding, totaling \$2.3M from NSF.

4. Cleveland State University intends to apply for new funding awards, and/or renewals and continuations of existing funding awards, in the next year and in future years to come.

5. The funding that Cleveland State University receives from NSF supports critical and cutting-edge research vital to our nation's security and to U.S. companies in the advanced

manufacturing, healthcare and biotechnology, aerospace, and information technology sectors. Millions of Americans benefit from and depend on this research. For example:

- a. CSU's NSF-funded research in tissue engineering holds the promise of restoring sensation in engineered skin, improving muscle and nerve regeneration after major injuries, and minimizing infections in bone implants, which are critical needs for both our warfighters injured in the line of duty and for the general public.
- b. Our NSF-funded programs supporting applied research in quantum circuitry and deep learning, which expand the pipeline of talent in computing careers, are critical to the US maintaining our leadership in quantum computing, artificial intelligence (AI), and cybersecurity, all of which are under threat by foreign adversaries.

6. Reimbursement of Cleveland State University's indirect costs is essential for supporting this research. NSF's cutting of indirect cost rates to 15% would preclude carrying out the kinds of research projects described in Paragraph 5 in the future.

7. Indirect costs include the *Viking Compute Cluster*. This high-performance computing cluster is used to conduct and support NSF- and other federally funded grants. Maintenance and continued use of this cluster is heavily dependent on federal grants and IDC recovery. Without this critical infrastructure, we simply cannot conduct the research.

8. For example, with respect to the areas of research described in Paragraph 5:
 - a. Performing cutting-edge research in biotechnology requires modern laboratory facilities and state-of-the-art equipment to grow tissue cultures and precisely evaluate their characteristics.

b. Similarly, a range of high-performance computing resources and model-training data sets are needed to effectively conduct quantum computing and artificial intelligence research.

9. Physical facilities costs are one of the largest components of indirect costs. This includes not only the usual costs of constructing and maintaining buildings where research occurs, but the very high costs of outfitting and maintaining specialized laboratory space, which can require special security, advanced HVAC systems, and specialized plumbing, electrical systems and waste management, as well as specialized laboratory equipment. The features and amount of space available to researchers have a direct and obvious impact on the nature and amount of research that can be done at Cleveland State University. CSU and the State of Ohio are investing over \$30M in a new BioMedical Discovery Complex to modernize our biotechnology research lab space, and the loss of indirect funds will lead to reduced utilization of the space and a loss of research productivity by a number of CSU's most prolific researchers and students. It will also jeopardize our educational mission to train the next generation of research and workforce professionals.

10. In addition, indirect costs fund the administration of awards, including staff who ensure compliance with a vast number of regulatory mandates from agencies such as NSF. These mandates serve many important functions, including ensuring research integrity; protecting research subjects; properly managing and disposing of chemical and biological agents and other materials used in research; managing specialized procurement and security requirements for sensitive research; managing funds; preventing technologies and other sensitive national security information from being inappropriately accessed by foreign adversaries; providing the high level of cybersecurity, data storage, and computing environments mandated for regulated data; ensuring

compliance with specialized security protocols and safety standards; maintaining facility accreditation and equipment calibration to meet research quality and security standards; and preventing financial conflicts of interest.

11. Recovery of Cleveland State University's indirect costs is based on predetermined rates that have been contractually negotiated with the federal government.

12. Through FY2025, the predetermined indirect cost rate is 48.5% for on-campus research (the vast majority of our research takes place on our campus in downtown Cleveland), with slightly lower rates applying to off-campus research. Earlier this year, CSU hired a third-party firm to negotiate the continuation of the rate. Their calculations determined our rate should be increased to 49.1%.

13. The effects of a reduction in the indirect cost rate to 15% would be devastating. Of the \$17M in NSF funding that Cleveland State University received in the past five (5) years, approximately \$13M consisted of payment of direct costs, and \$4M consisted of reimbursement of indirect costs. Similarly, in FY2025, Cleveland State University expects to receive \$2.5M in NSF funding for direct costs and \$0.5M in NSF funding for indirect costs. And over the next five (5) years, Cleveland State University anticipates receiving an average of \$3M from the NSF for annual direct costs. Based on the predetermined indirect cost rate of 48.5%, which was agreed upon by the federal government as of January 17, 2020, and applying that rate to the direct costs (as modified pursuant to the CFR), Cleveland State University reasonably expects to receive approximately \$1M in indirect cost recovery on an annual basis over the next five (5) years. This constitutes 28% of total budgeted indirect costs recovered for all research grants.

14. If — contrary to what Cleveland State University has negotiated with the federal government — the indirect cost rate was reduced to 15% for new awards, that would significantly

reduce Cleveland State University's anticipated annual indirect cost recovery. For example, applying the 15% rate to the anticipated modified direct costs over the next five (5) years, Cleveland State University's anticipated annual indirect cost recovery would be reduced by \$665K: from \$1M each year to \$335K a year. This amount represents 18% of the total research administration budget at Cleveland State University.

15. This reduction would have deeply damaging effects on Cleveland State University's ability to conduct research from day one. Many of Cleveland State University's current research projects will be forced to slow down or cease abruptly if forced to apply for renewals at the 15% indirect cost cap. This will also necessarily and immediately result in staffing reductions across the board. For example:

- a. The University would be required to lay off an estimated three (3) Sponsored Programs support staff within a matter of weeks. This would significantly hamper our ability to continue with critical research projects, and in turn jeopardize our ability to contribute to the nation's security. Moreover, recruiting staff who have the requisite knowledge and experience to work on such projects is exceedingly difficult. Even if funding were later restored, it would be difficult to find qualified individuals to fill these positions. Ultimately, top scientists will not move to (or stay at) the University if we cannot provide the facilities necessary to conduct world-class research.
- b. As a result of a reduction in the allowable indirect costs rate on NSF awards, project budgets will effectively shrink for computing resources, since more of each dollar brought in will go toward basic needs like electricity, staffing, and space for the cluster and less is available for direct expenses like cluster usage.

Without indirect costs available to maintain and advance the computational clusters, they will slowly fall behind and into disuse soon as a result of the reduction of their effectiveness. Principal investigators, facing tighter constraints on their direct-cost allocations, may therefore curtail large-scale data analysis or shift workloads to cheaper cloud or departmental resources, resulting in smaller scale projects and less cutting-edge discovery. Within the last five (5) years, scientists have been able to harness the relatively cheaper upgrades in computational power to study intensely complex systems. Over time, this funding squeeze can lead to underutilization of campus clusters, reduced queue priorities for NSF-sponsored jobs, and delays in research that depend on high-performance computing. At the local University level, the reduction in indirect costs may lead Universities to prioritize small-scale, local projects over innovative research at the national scale, because they are strapped by finite available resources. The reduction of use in the Viking Cluster would lead to few opportunities for students to conduct research in high performance computing. This would severely cripple the nation's workforce in the coming years as fewer highly skilled workers can use novel AI and computing technologies.

- c. For many years in a row, funds from recovered IDCs have also supported the position of the Facilities Manager/Administrator in CSU's Center for Gene Regulation in Health and Disease (GRHD). The Facilities Manager/Administrator in GRHD is responsible for operation, general upkeep, routine maintenance (ensuring timely repair), and quality control of all high-

end instrumentations in the Center, including but not limited to confocal microscopes, imager scanners, fluorescent cell imagers, ultracentrifuges, liquid scintillation counters, DNA/RNA fragment analyzers, biolayer interferometers, etc. This person is also responsible for training all the members of GRHD on the proper use of this sophisticated equipment. The Facilities Manager also assimilates into the work of various research teams within the Center on a need basis to help with their experiments, utilizing this equipment. Without this position and the uninterrupted recovery of fully negotiated IDCs, research in GRHD will simply not be possible.

- d. It will also jeopardize our educational mission, especially training graduate students in biomedical research and engineering.

16. Reduction in staff will result in missed deadlines, both on the pre- and post-award offices. Critical review of mandatory compliance issues for IACUC and IRB will suffer. As a regional public institution that is primarily reliant on tuition revenue, and as an institution with a small, but significant, research program, this reduction will have an outsized impact on the institution's ability to maintain a research program.

17. Cleveland State University has for decades relied on the payment of indirect costs. And until now, we have been able to rely on the well-established process for negotiating indirect cost rates with the government to inform our budgeting and planning. Operating budgets rely on an estimate of both direct- and indirect-sponsored funding to plan for annual staffing needs (e.g., post-docs, PhD students, and other research staff), infrastructure support (e.g., IT networks, regulatory compliance, and grant management support), and facility and equipment purchases. And in some cases, Cleveland State University has long-term obligations — for example, admitted

Ph.D. students — and it relies on budgeted grant funding, including associated indirect cost recovery, to fulfill these commitments. This multi-year budgeting process also assumes the availability or possibility of grant renewals at roughly similar terms — and certainly at the negotiated indirect cost rate — as had been previously available.

18. In addition to the immediate effects and reliance interests described above, dramatically cutting indirect cost reimbursement would have longer-term effects that are both cumulative and cascading. Reduction in staff with knowledge of the programs would make it almost impossible to restart the programs down the road.

19. Disruptions to Cleveland State University's research will also have negative effects in the Cleveland, Ohio area, the state of Ohio, and the broader region. Cleveland State University collaborates with state and local partners to help solve regional challenges through joint research and innovation. Cleveland State University's research also fuels spending in the regional economy, including by driving discoveries that launch new ventures, attract private investment, and make a positive social impact. A massive reduction in Cleveland State University's research budget would immediately and seriously jeopardize these contributions to the local region.

20. Finally, slowdowns or halts in research by Cleveland State University and other American universities will allow competitor nations that are maintaining their investments in research to surpass the United States on this front, threatening both our nation's national security and its economic dominance.

21. Cleveland State University cannot cover the funding gap itself. Cleveland State University does not maintain an endowment. While the Cleveland State University Foundation (which exists as a separate entity to raise, receive, and manage private gifts for the advancement and benefit of Cleveland State University) maintains an endowment, it is neither feasible nor

sustainable for Cleveland State University Foundation to use endowment funds or other revenue sources to offset shortfalls in indirect cost recovery: The majority of Cleveland State University Foundation's endowment — around 98% — is restricted to specific donor-designated purposes, such as scholarships, faculty chairs, and academic programs. Cleveland State University Foundation is not legally permitted to use those funds to cover research infrastructure costs.

22. It is also not feasible or sustainable for Cleveland State University to use other revenue sources to offset shortfalls in indirect cost recovery. As a non-profit institution, Cleveland State University reinvests nearly all of its revenue into mission-critical activities, leaving little margin to absorb unexpected funding gaps. In other words, unlike for-profit organizations, Cleveland State University does not generate significant surpluses that could be redirected without impacting core academic priorities, such as educational programs and financial aid support for students. Absorbing the cost of a lower indirect cost rate, even if it were possible, would create long-term budget pressures on Cleveland State University — which would in turn force reductions in key investments supporting Cleveland State University's faculty, students, staff, research, and teaching infrastructure, as well as other critical activities needed to maintain Cleveland State University's academic excellence. So even if Cleveland State University could "cover" some of the indirect costs previously funded by NSF, it could do so only by negatively affecting other critical goals central to the institution's mission.

23. If Cleveland State University can no longer apply for NSF grants because it is unable to accept the new indirect cost rate cap — a risk that would impact all of our NSF grants, and 40% of all of our federally-funded grants — the harms described herein would be exacerbated. That greater loss in funding from NSF would mean more significant cost-cutting measures would need to be adopted — and quickly. Cleveland State University cannot "float" all of the indirect

costs it would likely lose coverage for — nor could it float NSF grants altogether if it is not able to accept the 15% cap — so some research projects would need to be terminated altogether, and others would need to be scaled down or pared back significantly. The process of identifying these cuts would need to begin immediately, and layoffs, closures, and research pauses or contractions would follow soon thereafter. Cutting back on Cleveland State University research in fields such as advanced manufacturing, healthcare and biotechnology, cybersecurity, AI, and quantum computing will also have long-term implications on national security and the American economy.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on May 7, 2025, at Cleveland, Ohio.

Nigamanth
Sridhar

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Nigamanth Sridhar
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Nigamanth Sridhar, Ph.D.
Senior Vice President and Provost
Cleveland State University